


UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

FILED

MAY 13 2021

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY  DEPUTY CLERK

UNITED STATES OF AMERICA,

Plaintiff,

v.

IRENE M. SCOTT,

Defendant.

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CRIMINAL NO.:

INFORMATION

Cts. 1-3: 18 U.S.C. § 1343

Wire Fraud

Ct. 4: 18 U.S.C. § 1344(2)

Bank Fraud

SA:21-CR-00207-FB

THE UNITED STATES ATTORNEY CHARGES:

INTRODUCTION

At all times relevant to this Information:

1. Defendant IRENE M. SCOTT was employed by Shelton & Valadez, P.C., a law practice located in San Antonio, Texas (the "Firm"). The Defendant worked as the Firm's bookkeeper and financial manager from August 2011 to February 2020.

2. In her role as bookkeeper, Defendant IRENE M. SCOTT was responsible for, among other tasks, issuing business credit cards to employees of the law practice, closing those business credit cards upon a given employee's separation from the Firm, maintaining the Firm's financial ledgers, including all transactions, generating and issuing vendor payments, and operating expenses, and other accounting responsibilities.

3. In the course of her duties as bookkeeper, Defendant IRENE M. SCOTT had access to and was responsible for maintaining the Firm's payments to vendors for various Firm-related expenditures, which the Defendant tracked in the Firm's financial ledgers in her capacity as bookkeeper.

4. In connection with Firm expenditures and expenses made by Firm employees, the Firm

utilized an American Express business credit card, affiliated with Costco Wholesale Corporation (“Costco”). The credit card (the “Costco Amex Card”) bore the Firm’s name, as well as the name of R.V., a partner with the Firm.

5. In or about December 2012, Defendant IRENE M. SCOTT, obtained access to the Costco Amex Card and began making non-Firm related purchases. The Defendant made these purchases without the permission nor knowledge of R.V., nor any other member of the Firm.

6. In or about late-2013, M.D., the Firm’s Office Administrator, separated from the Firm. In accordance with Firm policy and procedure, M.D. returned her Firm-issued Bank of America credit card (the “M.D. Firm Bank of America Card”) to the Defendant, who was to then close the M.D. Firm Bank of America Card in accordance with Firm policy and procedure and the Defendant’s responsibilities as Firm financial manager.

7. Defendant IRENE M. SCOTT did not close the M.D. Firm Bank of America Card, and refrained from doing so without the permission nor knowledge of the Firm.

8. In or about June 2016, Defendant IRENE M. SCOTT opened a credit card account with Citibank. The credit card was opened as a business credit card account associated with the Firm, through Costco (the “Costco Citi Card”).

9. The Costco Citi Card was opened using the Firm’s business information, and R.V.’s personal identifying information. The Costco Citi Card bore the Firm and R.V.’s name on the credit card but was in fact opened by Defendant IRENE M. SCOTT without R.V.’s knowledge or consent. The Costco Citi Card used the Firm’s business address as the mailing address for the Costco Citi Card, but the statements were delivered electronically to the Defendant. The Costco Citi Card was exclusively possessed and utilized by the Defendant.

10. In her role as bookkeeper and financial manager, Defendant IRENE M. SCOTT was

able to conceal the fraudulent purchases by noting monthly payments in the Firm's financial ledger as vendor payments, when in fact, they were payments on the M.D. Firm Bank of America Card, Costco Amex Card, and the Costco Citi Card.

11. In or about January 2018, Defendant IRENE M. SCOTT obtained access to signature stamps utilized by the Firm. The Firm utilized signature stamps, bearing the signatures of a Firm partner's name, so that legal assistants could use the signature stamp for letters sent from the Firm. The Defendant did not need access to the signature stamps to perform her functions as bookkeeper or financial manager, nor did she have permission to use the signature stamps.

12. From on or about January 4, 2018 to on or about January 17, 2020, Defendant IRENE M. SCOTT utilized the Firm signature stamps to write checks to herself from the Firm's business operating account with Frost Bank, a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation and whose activities affected interstate commerce.

13. Defendant IRENE M. SCOTT was able to conceal these checks by labeling the checks as vendor payments in the Firm's financial ledger, when in fact, the actual payee was the Defendant. The Defendant utilized the Firm's signature stamp without the knowledge or authorization of any member of the Firm.

COUNT ONE

[Wire Fraud - 18 U.S.C. § 1343]

14. Paragraphs 1 through 13 set out above are incorporated by reference as though fully restated and re-alleged herein.

15. Beginning or about December 19, 2012 and continuing through on or about June 2, 2016, in the Western District of Texas and elsewhere, the Defendant,

IRENE M. SCOTT

for the purpose of executing a scheme and artifice to defraud R.V., Shelton & Valadez, P.C. and

its partners, and to obtain money or property by means of materially false and fraudulent pretenses, representations, and promises, intentionally and knowingly transmitted and caused to be transmitted via email and internet payments to the Costco Amex Card from Texas to other states, including but not limited to New York, which process caused writings, signs and signals to be transmitted in interstate commerce, as set forth below:

<u>Count</u>	<u>Date</u>	<u>Amount</u>	<u>Item</u>
1	June 2, 2016	\$6,000.00	Squareup.com purchase to Unique Lighting

All in violation of Title 18, United States Code, Section 1343.

COUNT TWO

[Wire Fraud - 18 U.S.C. § 1343]

16. The Grand Jury incorporates by reference paragraphs 1 through 15 set out above as though fully restated and re-alleged herein.

17. Beginning or about June 3, 2016 and continuing through on or about January 28, 2020, in the Western District of Texas and elsewhere, the Defendant,

IRENE M. SCOTT

for the purpose of executing a scheme and artifice to defraud R.V., Shelton & Valadez, P.C. and its partners and to obtain money or property by means of materially false and fraudulent pretenses, representations, and promises, intentionally and knowingly transmitted and caused to be transmitted via email and internet a credit card application and subsequent payments to the Costco Citi Card from Texas to other states, including but not limited to Arizona, which process caused writings, signs and signals to be transmitted in interstate commerce, as set forth below:

<u>Count</u>	<u>Date</u>	<u>Amount</u>	<u>Item</u>
2	November 27, 2019	\$1,568.54	Apple.com purchase

All in violation of Title 18, United States Code, Section 1343.

COUNT THREE

[Wire Fraud - 18 U.S.C. § 1343]

18. The Grand Jury incorporates by reference paragraphs 1 through 17 set out above as though fully restated and re-alleged herein.

19. Beginning or about December 5, 2013 and continuing through on or about June 6, 2019, in the Western District of Texas and elsewhere, the Defendant,

IRENE M. SCOTT

for the purpose of executing a scheme and artifice to defraud R.V., Shelton & Valadez, P.C. and its partners and to obtain money or property by means of materially false and fraudulent pretenses, representations, and promises, intentionally and knowingly transmitted and caused to be transmitted via email and internet payments to the M.D. Firm Bank of America Card from Texas to other states, including but not limited to Delaware, which process caused writings, signs and signals to be transmitted in interstate commerce, as set forth below:

<u>Count</u>	<u>Date</u>	<u>Amount</u>	<u>Item</u>
3	April 1, 2019	\$750.00	Squareup.com purchase to Unique Lighting

All in violation of Title 18, United States Code, Section 1343.

COUNT FOUR

[Bank Fraud - 18 U.S.C. § 1344(2)]

20. The Grand Jury incorporates by reference paragraphs 1 through 19 set out above as though fully restated and re-alleged herein.

21. Beginning on or about January 4, 2018, and continuing through on or about January 17, 2020, in the Western District of Texas, Defendant IRENE M. SCOTT knowingly executed and

attempted to executed a scheme to obtain monies, funds, credits, assets, securities or other property owned by, or under the custody and control of a financial institution, Frost Bank, which is insured by the Federal Deposit Insurance Corporation, by means of material false or fraudulent pretenses, representations, or promises.

MANNER AND MEANS OF THE SCHEME TO DEFRAUD

22. Defendant IRENE M. SCOTT obtained a signature stamp utilized by the Firm intended for signing letters and used it to fraudulently endorse checks.

23. Defendant IRENE M. SCOTT fraudulently made checks out to herself, and then used the Firm's signature stamp to endorse the check and draw the funds from the Firm's business operating account with Frost Bank.

EXECUTION OF THE SCHEME TO DEFRAUD

24. To accomplish this scheme to defraud, Defendant IRENE M. SCOTT systematically used the Firm's signature stamp on numerous checks the Defendant made out to herself.

25. The Defendant IRENE M. SCOTT executed this scheme by making deposits and/or cash withdrawals in her name from the Firm's operating account, and then concealed these fraudulent withdrawals by mislabeling them in the Firm's business ledger as payments made by the Firm to various vendors.

26. In total, Defendant IRENE M. SCOTT made approximately 200 fraudulent withdrawals of monies from the Firm's operating account into her personal banking account and/or into cash payments from January 2018 to January 2020.


27. In executing her scheme as set forth in this Indictment, Defendant IRENE M. SCOTT was able to obtain approximately \$417,176.75 from monies owned by or under the custody and control of Frost Bank by means of fraudulent pretenses, representations, or promises to use for


personal expenses.

All in violation of Title 18, United States Code, Section 1344(2).

ASHLEY C. HOFF
UNITED STATES ATTORNEY

BY:


Matthew W. Kinskey
Assistant United States Attorney

 (for)
Joseph E. Blackwell
Assistant United States Attorney